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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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S_E_C_R_E_T NOFORN

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Communist China/Yugoslavia

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Attached

a discussion of recent developments in the Sino-Soviet bloc.

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30 November 1956

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I. Political

1. USSR

- a. According to the foreign-policy program adopted by the IX Party Congress of the Communist Party of the foviet Union and according to the intention of Khrushehev who had been its principal champion, the Eastern European Satellites had been scheduled to play the role of "sally-ports", while Tito and his system were to serve as "scaling-ladders" or as a "Trojan horse" to infiltrate Communism into the western camp. When this plan suffered the recent setback in the Satellite area, the Saviet Union tried to justify its policies in Humary by resorting to the fabricated story that the uprising in Humary ws directed and supported by the West. Several reports indicated that the Saviets initiated a systematic action for the procurement of material with which they want to furnish "evidence" for Western "interference with the internal affairs of Hungary".
- b. Molotor's appointment as Minister for State Control is one of the signs which indicate that the Soviet collective leadership become aware of the need of order in their own ranks and a stabilized rear area which is the precondition of any successful political offensive and the decisive importance of which had repeatedly been pointed out by Stalin in his stratogical directives. Xhrushchev himself had stated some time ago that the policies of the XX Party Pay involved certain risks. He had, however, scarcely been aware at that time of the real extent of these risks. The sollective leadership now felt it necessary to give Molotow, who is a cautious sceptic, controlling | overs effectively to stabilize the Soviet Dapire including its endangere border areas against the risks which result from the dynamic and epidmistic policies of Khrushchev. Moletov's new office makes it possible for him to bring increased political influence on the entire state machinery and at the same time receives added importance from the appointment of a more rounded politician. The future role of the Ministry for State Control will thus be contingent upon what Molotow is able to make of it. Although foreign policy is not under his direct control, his new position will make it possible for him to exact at least indirect influence on these policies considering the fact that interior policies are ranking first in all Soviet policies and decisively influence foreign policy. His influence will also indirectly become noticeable in the "Council for Mutual Economic Aid" as that agancy is going to solve the exonomic problems which resulted from the events in the Satallites.
- e. Several reports indicated a Phonary Session of the Central Committee of the Communist Party of the Seviet Union in December, and one of these reports stated that the Soviet leedership planned a reshuffle of personne? and considered a pressible repl mement of Khrusheben by Zazlov. Although Aughor could rake a first secretary because of his background and present colinaties, no further indications for an imminent relief of Khrushenev are avealable except for a singing of his prestige and a weakening of his position as a result of the events in Poland and Hungary which was stated in several reports. Various in ications including the appointment of Molotav tend to indicate, however, that the collective leadership is striving to clip Khrushchev's influence and range of activity. Bulgania whose possible relief as Frim: Minister had long been expected according to one report, is to be replaced by Pervukhin or Zhukov. This latter possibility will, however, became acute only if an extreme emergency of the Soviet Empire would make it imperative to resort to such a solution which would be bordering on "conspartism". Possible candidates for the position of Prime Minister are Mikeyan and Malenkov in addition to Pervulbin. The report expressly stated that the principle of collective

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leadership would not be abandoned. The agenda of the Central Committee session was stated to include the project of separating the Siberian part of the RSFSR from the European part and of giving it the status of an autonomous republic. This would mean a shifting of weight toward Asia and a veiling of the "colonialist" past of Siberia before the eyes of the Afro-Asiatic nations.

- d. Moseow's present attitude toward Tito follows the well-known Soviet prin eiple of the simultaneous mpleyment of pressure and porsuasion. Two reports stated that the Sow less planned to counter the ideological and political imbroglio in the latellite cordon with new cominform efforts which Tito is of course receiving with utmost restraint. Moseow's recent Pravda proncuncement left open the deer for further collaboration, however. Tito who became nerveus by the loviet pressure and was offended by the kidnapping of Nagy which was a serious breech of his trust, is going to activate his role in the Balkan Pact. Since it is an undeniable fact that the Soulete had a hand in the kdinapping of Nagy, the Soviet-Russian character once again became visible to the world public in spite of the drapery of the IX Party Congress. All available reports clearly show that the situation is precarious for Tito himself and his regime and political system, even if the still unconfirmed Soviet troop concentrations on the borders of Yugoslavia merely serve the purpose of a military demonstration.
- e. The Soviets continue to improve their new power positions on the Balkans and in the Middle East and to wake special efforts in Syria. One report indicated that modern Soviet fighter aircraft have been in Syria since the summer of 1956. Runways for these aircraft were built with Soviet support, and technical equipment for the ground personnel was supplied by Czecheslovakia and the GDR. Quantity and volume of the technical equipment tend to indicate that the Soviets want to set up a Soviet air base

2. Satellites and Yugoslavia

a. The Polish Government deemed is appropriate to demonstrate to the Polish nation and the world public the greater measure of independence which the country was greated by the Moscow agreement by abstaining from voting on the motion

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countries voted against. The Polish desire for a further loosening of the Sowiet tutelage also showed in an article carried by the official party organ of the Polish Communist Party which advocated collaboration with the against a regival of Stalinism and emphasized that Tito's views on the events in Hungary largely scincided with the Polish view. Radio the search of the Polish special friendship hid now become smaller also indicates that in Polish eyes there are still some differences with Moscow. Cyrankievicz had also considered it necessary to emphasize the fact that the Soviet economic aid must not endanger Poland's marching to a national and independent type of Socialism.

There were, however, student demonstrations in Posnan against the agreements made with the Soviets and particularly against the continued presence of Soviet troops in Poland. Irregularities repeatedly occurred as large enterprises were taken over by the newly

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established councils of workers and collective farms were dissolved. The Polish-Soviet agreements are, however, generally well received by a large portion of the Polish people under the impression of the events in Hungary.

- b. The Kadar Government in Hungary demonstrated that it was merely a Soviet tool when Imre Magy was kidnapped. One report indicated that Kasar wanted to keep the agreements he had concluded with the Yugoslavs on the future whereabouts of Nagy, but subsequently had to cover up the stepping-in of theSoviets. Another report stated that Kadar made serious efforts which failed, however, to prevent the deportations of freedom fighters especially since he was necessarily aware that this Soviet measure was bound to decrease still further his extremely small basis of popular trust. It is believed that be making the deportations and allowing refugees to escape to the West in great numbers, the Soviets want to purge Hungary from as many "unreliable" elements as possible after the pattern of latvia and Estonia. According to still another report, the resistance and the staying power of the Hungarian population which is deeply disappointed that the West failed to support their fight are beginning to break down. The report said that part of the workers accepted the theses of the Government that even an order established with the help of the Soviets was better than a complete chace.
- c. An available report indicated that in a speech he made at a conference of the Labor Unions in Clesheslevakia, President of State Zapotecky emphasized that they would uphold their previous system but would learn what had to be learned from the Hungarian events. Official statements that the previous road toward :setalism under the direction of the Communist Party and the Government proved correst and could not be abandoned, show that the Government does not think of a real demogratisation, and recent terror sentences meted out by the Prague administration of justice point in the same direction. They evidently served the purpose of intimidating the apposition and particularly the younger generation. Official Czech agencies severely criticised Tito's Pola speech as an interference with the internal affairs of foreign Communist parties and even used the offending remark that Tito had employed the same language as was used by reactionary propagandists in the West. Efforts made by the Prague Government for improved relations 25X1 follow the pattern of Soviet coexistence pelicies.
- d. The execution of 3 Communist loaders in Albania on charges of alleged espionage for a foreign power and crimes against people and government as well as the fact that the Albanian Titoists who had previously been executed were not rehabilitated is bound to affect the Albanian relations with Yugoslavia adversely.
- e. After comparatively mild newspaper feud between the USSR and Tugoslavia en the question of the responsibility for the events in Hungary, the deportation of Inre Nagy and his entourage which the Seviets carried out in disregard of the Yugoslav-Hungarian agreements according to an syntlable report, elermed Selgrade which now arrived at theconelusion that the Stalinist group in Moscov prevailed and was supported by all Satellica commission ecomps Poland and by the Western Communist Parties. This spoiled all hopes for Ingoslavia s playing a desigive role in a generangement of relations between individual Elstern Bloc countries and between the Communists and Socialists in the West. Yugoslavia planned to make a more pronounced rapprochement with the West if the country was faced with a direct threat, Politicians in Belgrade feared that the Soviets will strive to make it difficult for Tite in internal policies. Another report indieated that the Yugoslav Communist Party was divided over their future owurse after the events in Humpary and added that the Army was in Tito's firm control. Still another report indicated that Tito wanted Federal Chanceller Rash to make his plunned trip to Belgrade before the end of this year, evidently in an effort to strengthen his western supports in the West in view of his last emilicts with the Eastern Blog. Tite's efforts for a revival of the Bilkan Pact must be viewed as a countermove against the present political dowlet pressure.

Chou stated that the recent Moscow agreements between the USSR and Poland were a model for the relations between individual Communist countries. It is worth noting that a leading article of the semi-official Peking Jen-min Jih-Pac which Pravda carried on 22 November 1956 also called the Moscow agreements with Poland a model case. The Soviet Union is apparently interested in making the world public and particularly the Communist courtries believe that Poking endorses Moscow's attitude toward "Titoist" efforts in Eastern Europe.

c. An important Prawda comment on the events in Hungary and Poland and Titoism which was made on 23 November 1956 tried to outline the position of Red China in the Communist world camp. Simultaneously, emphasizing both the "tremendous contribution" of the Chinese Communist Party for the further development of Socialism and the policy of the Chinese Communist Party which is making "no claim to the universality of its methods for the build-up of Socialism", the Prawda indirectly took back Mikoyan's statement at the 8th Chinese Party Day that Red China's experiences could serve as an example for other Communist countries. Prawda simultaneously let it be known that the Satellites in Europe could not expect to enjoy the name liberties as were enjoyed by Red China.

II. Military

1. Twenty-Fourth Air Army in the Sovi at Zone of Germany

The alert of flying units in the Soviet Zone was lifted after the political tensions in the Satellite area had subsided. On 20 November 1956, units started practicing as usual. Transfers involving particularly fighter units to ease the situation at the partially heavily occupied airfields terminated. They were made for two reasons, namely in an effort to adjust to possible nuclear warfare and to make available modern airfields for the growing NVA airforce elements. The NVA airforce also received the Brandenburg-Briest and Neubrandenburg airfields from the Soviet Air Force.

- 2. The alert of the Soviet Air Force units stationed in Poland and of the Polish and Czech Air Force was lifted and normal activities were resumed. The high command of the dungarian Air Force started resuming the communication to flying units which had been disrupted during the rebellion. Available reports indicated that inventories of flying equipment, ground installations and personnel were requested.
- 3. No changes were observed with the Special Army units stationed in Poland. No new Soviet units were observed arriving in Poland. The retransfer to posts from summer camps of units of the Polish Army was complete in late October.
- 4. a. No substantial changes were observed with the Soviet forces in Hungary during the last week. No further indications of newly arrived broops to relieve units in the area of Budapest were available.
 - b. Efforts are being made in the Hungarian Army for a reorganization of units. Autivities by 3 corps Hqs and of the headquarters of 5 rifle divis and the Arty Div were observed after 6 November. On 15 November, the Heaved Ministry in Budapest started issuing orders which chiefly concerned questions of organization and administration.

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I. Political

1. USSR

A report which gave the view of the Soviet policy leader indicated that the Soviets are presently employing tactics toward the West a. (1) which strive to construct a sort of junctim between the disarmament issue and the withdrawal of the Soviet troops from the Satellite countries. The Soviets stated that the declaration of the USSR dated 30 October 1956 would serve as the basis for the rearrangement of the Soviet relations with the Peoples Democracies and the withdrawal of the Red Army. The implementation of these principals and particularly the speed with which they would be executed would, however, depend on the Western reaction to Moscow's recent disarrament proposal. The Soviet functionary also stated that the Kremlin wanted to make the West, believe *ha* a turning down of the Povict disarmament proposal would prolong the presence of Soviet troops in the Satellite countries and particularly in Hungary and Rumania. He said that this arrangement, would not apply to Poland and the GDR there the Soviet troops would have to be stationed. He also made it clear that Moscow considered any change of the political line in the GDR and particularly a romoval of Ulbricht an intellerable risk in view of the development in Poland and Hungary. Molotov, the Soviet politician stated that Molotov was a pronounced representative of the interests of the Soviet State and was making every effort to prevent a disintegration of the Empire created by Stalin. Molohar, the Soviet politician went on, consequently warned against de Stalinization policies outside of the Soviet Union because of the Foreign-Policy consequences. Molotov insisted that de Stalinization had a meaning in the USSR which was different from the meaning it would have in the Peoples Democracy. Commenting on Wangary, the Soviet functionary stated *ha* *ha* country was a "ho*al" loss of planning. Referring to Tito, he added that national Communism could only be implemented where a person of caliber was available and that the Polish solution was therefore the ideal one.

(2)	Hoscow was interested in a relexation of the international situation. He implied that the solution of the Hungarian question presented considerable difficulties to the Hoscow Collective Londership. The Hoscow was interested in a relexation of the solution of the Hungarian question presented to the Hungarian qu	
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	Milioyan climaxed his persuasive Milioyan climaxed his persuasive Shart the Soviet Union was not presentl;25X1	
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- b. A rearrangement of political and economic relations and of the presence of Soviet troops in the Satellite area are presently the subject of discussion in the relations between the Povint Union and the Satellites. A number of reports briefly referred to impending sessions of agencies of the Warsaw Pact and the "Council for Mutual "conomic Aid", and stated that the de-Stalinization policies would be executed according to a set time table and in several stages depending on the situation of the individual Satellites and liberalization would so be implemented that production plans could not be disrupted and a flare-up of disturbances was avoided. A new plan for the location of Soviet troops in the Satellite countries also was prepared but no details have leaked out so far. A number of reports indicated that the Soviet-Polish relations were only superficially and broadly but by no means in detail and definitely settled by the agreements Gomulka made in Hoscow. Particularly the presence of Soviet troops in Poland was recognized only in principle and not yet fixed indicated.
- A number of reports stated that the tensions between the poviet Union and Tito subsided. Hoseow as well as Belgrade sought not to go to extremes in the conflict and while the differences of opinion still prevail, the two opponents prefer tactics of wait and see. Belgrade was allewed by Molotov's appointment to minister of State control which was interpreted as an indication of growing Stalinist influence in 25X1 the Collective Leadership.

d.	

The events in Poland and Hungary gave the Communist Parties in the other Satellite countries and partially in the West occasion to recommend the establishment of an agency which would make it possible for them to exchange information. The Communist Party of the Soviet Union supported the idea. It cannot yet be judged to what extent that agency will be a revival of the dissolved Cominform.

The new agency will probably be located in Prague 25X1

2. Satellites and Yugoslavia

Poland's Gomulka is presently stating to dodge demands for less stringent Communist controls in the country and greater independence from Moscow. As available seport indicated that he is upholding the idea of a Unity Pront for the Parliamentary elections in January and turned down the admission of really independent parties. He also fought arbitrary actions by the workers councils at factories which he felt had paralized outputs and also turned down wage increases on the ground that the financial aid promised by the Soviets would not make it possible to effect such increases. He also spoke out against



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"reactionaries" in the country who wanted to ride on the crest of the wave of Democracy" and made it clear that those who were against the Communist program of the execution of Socialism were on the other side of the barricade. He stated that he was ready to collaborate with all Socialist countries but insisted that the alliance with the Soviet Union remain the basis of Polish policy. Still another report indicated that the normalization of living conditions in Poland made only slow advances and that the situation was made difficult by the workers councils. The report stated that Rapacki continue to obtain western credits since the Sour of Dimencial aid would not suffice to overcome the economic crisis also to satisfy the workers—demands for improved living conditions. The report added that the nationalist opposition which was keeping quant at present wanted to exploit the first opportunity offered to come out with further demands toward Gomulka.

- b. Premier Kadar is still trying to anlist the support of the workers in Hungary. He had only limited success, however, since the Soviets left him only small leeway for concessions. His government is now trying to eliminate the embarrassing influence of the workers council on the political development. One of the concessions made was the removal of Gaspar, who is a Stalinist Labor Union leader. A report just reaching here indicates that Kadar is presently slowly gaining ground in his fight with the workers council and stated that policy. and State security agencies were being reorganized while the promised government reshuffle was postponed indefinitely. Other reports indicated that the numerous deportations and arrests were continued. They said that the small government apparatus which Kadar had been able to set up 130 without uniform direction and added that the expectations which had been entertained in some quarters that Kadar would be able to stand his own toward the Soviets was increasingly losing ground.
- c. Siroky, the Prime Minister of Czechoslovakia underscered the Soviet view that the Yugoslav methods could not possibly be employed by all countries and that Yugoslavia could employ these methods which were internal affair of that country but had to respect the extincipal of non-interference with the internal affairs of other countries.

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Still another report indicated that Premier Siroky and Novotny, the First Secretary of the Communist Party made a compromise, reducing prices for food stuff and industrial merchandise and increasing the social welfare efforts of the State but otherwise following and approving the Stalinist line.

According to aveilable reports the Communist lendership in Pelgaria the presently spitup into the calling and the less influencial literations camp which latter included deputy Prime Minister Michaileff and Lukanoff. The Stalinist three constitutions force against any entempt to introduce a national Communism tailored after the Yugoslav pattern and to make muserous precautionary arrests. Demonstrations occurred, however, in Sefia and a number of other towns because of the bad food supply. Norkers also started practicing passive resistence at some factories. The situation reportedly became more acute as a result of the increasing economic difficulties and particularly because a shortage of ray material made it necessary to lay off numerous workers and cut down on working hours. Soviet troops, the report added, have not been seen in the country, at least not in Sofia.

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e. The tensions between Albania and Yugoslavia became more strained.

Baluka, the Vice Prime Minister of Albania stated at a ceremony on
the occasion of the National Day that Tito most infamously calumniated
the Communist Parties and particularly those of Albania

Albania had not and would never bow to the Yugoslav leadership.

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of strong Soviet troop concentrations along the Yugoslav border were not correct. They did not expect the military intervention by the Soviets. After most vigorous discussions, the Soviet Union and the Yugoslav leadership are evidently trying to avoid a further sharpening of their conflict. This is also indicated by the presence of a large number of Soviet top-level functionaries at the ceremony of the Yugoslav National Day at the Yugoslav Embassy in Moscow and in many friendly-worded official congratulation telegrams and press comments. Still another report stated that Tito gave the order to restrict to a minimum all campaigns against the Soviet union. He also postponed a meeting with Gomulka to spare the Soviets embarrassment.

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demands for an abolition of compulsory courses in the fussian language and Social Sience were turned down also points in that direction. Franz Dahlem, the present chief of the Main Department for University Affairs at the State Secretariat figured prominently in fighting the student demands and thus demonstrated that although he is considered an opponent to Ulbricht he would possibly change tactics but not the basic line of the SED policies if he returned to important offices as he is expected to do. A number of reports indicated that he will soon be appointed as State Secretary for University Affairs.

d.	A still unconfirmed report indicated that Foreign Minister Shepilov
	was in East Berlin on 30 November. He reportedly had talks with
	Pushkin at which only Ulbricht was present. No information on these
	*alks is available.

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4. Red China

Several problems of the Red Chinese policy toward Asia became apparent in Chou en Laits present Asia trip.

The communique on Chou's Hamoi visit on 22 November 1956, showed that Peking's toleration policies toward Tito's efforts in Poland evidently affected Red China's relations with North Vistnam, Probably in view of the relationship between the Soviet Union and the Satellite countries, Peking had recommended, in early November, that relations between individual Communist countries be in the future based on the five principals of peaceful coexistence and now had to recognize this recommendation as basis for the further relations between Red China and North Vietnam. In this consection it may be noted that Chouts visit to Hanoi was made sho ly after "ruong Chin, the Lao Dong Party Secretary General who has p named pro-Chinese leanings had been a lorely Vieenam delegation led by Ton relleved of his office and Duc Thang who had been in t havied Union for about one month had retured. there is the Warmals groups in North Vietnam can possibility that the Nation count on Hoscow's toleratio

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b. The speech which Chou made refore the Parliament again conjured up the spirit of Bandung and tried to emphasize what the Communist and non-Communist countries in Asia have in common.

Chou consequently again emphasized the necessity of fighting Colonialism.

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Sanitized Copy Approved for Release 2010/02/22 : CIA-RDP80T00246A032200040001-9 SECREI NOFORN 25X1 25X1 An available report stated that Chou's tour of Asia served to prepare a new conference of the Afro-/ sictic countries. Red China's vigorous activities during the Suez conflict 25X1 had largely been motivated by a desire to appear as the protective power of the Afro-Asiatic countries. 25X1 II. Military 1. Hungary Command a rencies of the Hungarian Army are still striving to reorganize the remainders of their units. Fungarian units are now receiving back equipment from the Soviets while arms, ammunition, tanks and aircraft.

2. Rumania

are still withheld from them.

There are indications that the Soviet troops in Rumania were increased. A new division appeared in North-Pastern Rumania. The unit which had not been seen in Hungary after 19 November probably also transferred to North-West Rumania.

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